ROLE OF CROPINSURANCE ON THE SOCIAL AND ECONOMIC LIFE OF FARMERS WITH SPECIALREFERENCE TO SIKAR DISTRICT OF RAJASTHAN

Submitted by

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DECLARATION

I. I**, Mahesh Kumar**herebydeclarethatall the statement made in this application are true, complete and correct to the best of my knowledge andbeliefandintheeventofanyinformationbeingfoundfalseorincorrectoranyineligibility beingdetectedbefore or after the registration for Ph.D. My candidature is liable to be cancelled and legal action may be initiatedagainst me.

II. Ihavedeposited therequiredfee, asnotifiedby theUniversityregularly.

III. I have noted that if my application is found incomplete / defective, the same is liable to be rejectedsummarilyand no correspondencewillbeentertained in this regard.

IV. I have read and agree with the University Revised Ph.D. Ordinance No. 14 and UGC Regulation – 2009,and all the Amended Regulations or newly passed Regulations by the UGC on or before below mentioneddate.

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INTRODUCTION

Agriculture is one of the most ancient livelihoods of a human being. It is not only the basis of bread and butter but also the pivot of financial development. It fulfills the basic needs of the human being by supplying food, shelter, clothing, and medicine to them. It is also an essential source of raw materials, industrial products and consumer goods for various industries. In India, more than half the population continues to be dependent on agriculture, and about 67% of the all cultivators are small or marginal farmers who own less than one hectare of land. Further, as in many developing countries, agriculture is highly susceptible to fluctuations in weather, especially rainfall, which predominantly occurs during the months of June to September (i.e. Kharif season). Nearly, two-thirds of the cultivated area is dependent on rainfall; and those under irrigated areas do not have adequate water to undertake cropping activities during both Kharif and Rabi season continuously. The recent years have also recorded lower mean rainfall and higher variability which has led to natural disasters such as floods, droughts and cyclones. The impacts of variations in rainfall are not confined to the Kharif; the amount of precipitation also has an effect on soil moisture, which in turn has a significant impact on the growing of the Rabi crops (winter crop). In addition to weather risks, crops are also subject to other risks such as pests and diseases. These variations in weather and attacks by pests and diseases can cause considerable crop loss and uncertainty over decisions around agricultural production which in turn has a direct impact on the lives and livelihoods of a majority of the country's population.

Crop Insurance:

Agricultural production and farm incomes in India are frequently affected by natural disasters such as drought, floods, cyclone, storm, landslide, earthquake etc. Susceptibility of agriculture to these disasters is compounded by the outbreak of epidemics and man-made disasters such as fire, sale of spurious seeds, fertilizers and pesticides, price crashes, etc. All these events severely affect farmers through loss in production and farm income, and are

beyond the control of farmers. With growing commercialization of agriculture, the magnitude of loss due to unfavourable eventualities is increasing. Agricultural insurance is considered as an important mechanism to effectively address the risks to output and income resulting from various natural and manmade events.

Significance of study:

Rajasthan is characterized by its arid and semi-arid climate, making it highly susceptible to droughts, erratic rainfall, and other weather-related risks. Crop insurance can act as a crucial risk management tool for farmers in Rajasthan, providing them with financial protection against crop losses due to adverse weather conditions. Agriculture is a primary source of livelihood for a large proportion of the population in Rajasthan, especially in rural areas. Understanding the role of crop insurance in the economic well-being of farmers can provide insights into how it influences their income stability, debt management, and overall livelihood security. Crop failures can have profound social repercussions in agrarian communities, including increased indebtedness, migration, and even social unrest. By examining the impact of crop insurance on farmers' resilience to shocks, such as crop failures or income fluctuations, the study can shed light on its role in safeguarding social cohesion and stability within rural communities. Crop insurance can play a role in promoting sustainable agricultural practices by providing incentives for risk-averse farmers to adopt modern technologies, invest in soil conservation measures, and diversify their cropping patterns. Evaluating the impact of crop insurance on farmers' adoption of sustainable practices can contribute to strategies for enhancing agricultural resilience and sustainability in Rajasthan.

In conclusion, studying the role of crop insurance in the social and economic life of farmers in Rajasthan is significant for its implications on livelihoods, social resilience, government policies, access to financial services, and sustainable agriculture in the region. It provides valuable insights into how to strengthen the resilience of farming communities and support their long-term prosperity in the face of climate risks and other challenges.

Review of Literature

1. Raju and Chand (2009) The Pilot Crop Insurance Scheme (PCIS) was introduced in 1979. Prof V.M Dandekar of the Indian School of Political Economy, known as the father of crop insurance in India, recommended the homogeneous area approach as an alternative. The recommendations were accepted by the General Insurance Corporation of India, which introduced the PCIS, covering crops such as cereals, millets, cotton, potato, gram, oilseeds, and barley.

2. Bobade (2012) the Comprehensive Crop Insurance Scheme was replaced by the National Agriculture Insurance Scheme (NAIS), implemented by the Agriculture Insurance Company of India Limited. The scheme covered all farmers, both loanee and non-loanee, against losses due to crop failure on account of natural calamities. The main feature of this scheme was that it covered all food grains and non-food grain crops, such as cereals, millets, pulses, oilseeds, and horticulture crops, for which data on the yield for the past year were available. The scheme was based on the area approach, whereby each state is assured of the unit of insurance.

3. Ramesh C. (2008) critically analyzed the act of National Agriculture Insurance Scheme [NAIS] in India and advised some variations to make it more operative. It could be set as equal to the share of agriculture in national income. Their findings show that the overall performance of Agriculture Insurance Co. Of India Ltd. [AIC] and the private companies is not at all acceptable to the farmers of the whole nation.

4. Dhaliwal R. K. (2014) a notable studied the genesis of agriculture insurance in India as well as observed how effectively various agricultural schemes are operated. Their study wanted to address the challenge of diversification where agriculture insurance could act as a powerful tool of agricultural risk management.

Objectives:

1. To study the effect of crop insurance on farmer's income stability.
2. To know the improvement of social life of farmers through crop insurance.
3. To examine the performance of crop insurance in social and economic life of farmers in Sikar district.
4. To suggest the possible remedies to make crop insurance more effective.

Hypothesis:

H1. Implementation of crop insurance significantly enhances the economic stability of farmers.

H2. The adoption of crop insurance schemes has a positive impact on the social life of farmers by reducing indebtedness.

H3. Social and economic life of farmers who have adopted crop insurance in Sikar district has been improved.

H4. Crop insurance is more effective if farmers are educated.

RESEARCHMETHODOLOGY:

Thepresentstudywilldependuponprimaryandsecondarydata;thedatawill becollected byusingfollowing sources

Primary data:

The primary data will be collectedwiththe help of field survey, observation,well-structured questionnaire, Interview with the beneficiaries anddiscusswiththeofficialsforgettingaccurateinformation

Secondary data:

Apart fromcollectinginformationfromprimary sources,secondary datawillbe collected from Governmental and other publications, Economicsurvey of India, Journals, and Published data, Magazines, Websites,Newspapers,Researchstudies andotherrelevantdocuments

SAMPLING

Sample Size:

The sample design will be adopted by convenience sampling method for theselection of farmers. The focus of this research is on the farmer who availed crop insurance in Sikar district of Rajasthan only.

Statistical tools and techniques

The research is based on both empirical and analytical study on the basis of selected samples for the research and sampling method used will be purposive sampling method. The study use both primary and secondary data.

Limitation and study period

Period of study

Theobservationsaremadefromthedatafortheyears2016-17to2021-22toarriveattheconclusions.The periodofthestudyis06years.

Limitations of the study:

The limitations of the study will be as follows:-

1. The study is restricted to only Sikar District of Rajasthan state.
2. Field visit in remote areas will be a herculean task.
3. Interaction with farmers will be limited.
4. To measure the Social enrichment of farmers will be difficult.

Proposed Chapter Layout:

1) Introduction.
2) Reviewofliterature
3) Researchmethodology.
4) Analysisandinterpretationofdata.
5) Findings,Suggestions andConclusions

Research Guide
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Research Student
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